

SGLI and FSGLI



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Overview

- ✈ Servicemembers Group Life Insurance
- ✈ Family Servicemembers Group Life Insurance
- ✈ Test Your Knowledge: Ten Questions and Answers



Question #1

On 1 Mar 01, A1C Billy Jones completed SGLI paperwork to decline coverage. A1C Jones has not made any changes since 1 Mar 01.

What is his coverage today?



Answer

- ✈ Answer: \$250,000
- ✈ Unless A1C Jones chose to decline coverage or elect a lesser coverage on or after 1 Apr 01, his coverage is \$250,000
- ✈ People who declined coverage prior to 1 Apr 01 but didn't complete a new SGLI form to decline coverage are insured for \$250,000. Without an SGLI form beneficiary information is not on file



SGLI Monthly Premium

Current Rates Took Effect 1 Jul 03

Coverage Amt	Mthly Premium
10,000	0.65
20,000	1.30
30,000	1.95
40,000	2.60
50,000	3.25
60,000	3.90
70,000	4.55
80,000	5.20
90,000	5.85
100,000	6.50
110,000	7.15
120,000	7.80
130,000	8.45

Coverage Amt	Mthly Premium
140,000	\$9.10
150,000	\$9.75
160,000	\$10.40
170,000	\$11.05
180,000	\$11.70
190,000	\$12.35
200,000	\$13.00
210,000	\$13.65
220,000	\$14.30
230,000	\$14.95
240,000	\$15.60
250,000	\$16.25



Question #2

True or False

SGLI form (SGLV 8286) cannot be handwritten. The form must be typed or printed in ink.



Answer

- ✈ Answer: False
- ✈ The preferred method is typewritten or computer-filled; however, a handwritten document is acceptable if it is neat and legible



Beneficiary Not Designated

- ✈ Members should be encouraged to name a specific beneficiary. If a beneficiary is not designated, the insurance is automatically paid in the following order of precedence:
 - The surviving spouse of the member; if none,
 - The child or children of the member, in equal shares; if none,
 - The parents in equal shares or all to the surviving parent; if none,
 - A duly appointed executor or administrator of the insured's estate; if none,
 - Other next of kin



Problem on SGLI Form

SGLV 8286

Beneficiary(ies) and Payment Options				
I designate the following beneficiary(ies) to receive payment of my insurance proceeds. I understand that the principal beneficiary(ies) will receive payment upon my death. If all principal beneficiaries predecease me, the insurance will be paid to the contingent beneficiary(ies).				
Complete Name (first, middle, last) and Address of each beneficiary	Social Security Number (if known)	Relationship to you	Share to each beneficiary (Use %, \$ amount or fractions)	Payment Option (Lump sum or 36 equal monthly payments)
Principal				
1.			50%	
2.			50%	
3.				
4.				
<input type="checkbox"/> Additional Principals on page 5 (check if applicable)				
Contingent				
1.				
2.				
3.				

Principal shares must equal 100%

50%

50%



Other Common Problems on SGLI Form

- ✈ Copy of SGLI form is provided to MPF (original document must be maintained in the UPRG)
- ✈ Signature of member not witnessed by CSS
 - Witness will sign his or her name below that of the servicemember and include the date he or she received the form
- ✈ Branch of service abbreviated (spell out service)
- ✈ Members don't understand the difference between Principal and Contingent beneficiaries



Question #3

What's the difference between "Principal" and "Contingent" beneficiaries on the SGLI form (SGLV 8286)?

Beneficiary(ies) and Payment Options				
I designate the following beneficiary(ies) to receive payment of my insurance proceeds. I understand that the principal beneficiary(ies) will receive payment upon my death. If all principal beneficiaries predecease me, the insurance will be paid to the contingent beneficiary(ies).				
Complete Name (first, middle, last) and Address of each beneficiary	Social Security Number (if known)	Relationship to you	Share to each beneficiary (Use %, \$ amount or fractions)	Payment Option (Lump sum or 36 equal monthly payments)
Principal				
1.				
2.				
3.				
4.				
Additional Principals on page 5 (check if applicable)				
Contingent				
1.				
2.				
3.				



Answer

- ✈ **Principal** – Principal beneficiary is the person, firm, corporation or legal entity that will receive the death benefit
- ✈ **Contingent** – If all principal beneficiaries predecease the servicemember, then the insurance would be paid to the contingent beneficiary(ies)



Question #4

Capt Kate Crunch is married with two children. She wants to designate a close friend as her SGLI beneficiary.

What action should the SGLI counselor take?



Answer

When a member is likely to be survived by dependents or parents and designates some other person as a beneficiary, then the SGLI counselor should advise the member to submit a signed memorandum indicating ...

- (1) he or she understands the designation is unusual and
- (2) the person named by the member as the beneficiary is the person he or she intends to receive the proceeds



Question #5

Maj Payne elects to increase his SGLI from \$50,000 to \$250,000. On his reinstatement form he indicates he has high blood pressure.

What is the effective date of coverage?



Answer

- ✈ If Maj Payne answered “Yes” to any of the medical questions, then the form is sent to OSGLI for review and decision
- ✈ Effective date of coverage is the date the OSGLI approves the application

REQUEST FOR INSURANCE (SERVICEMEMBERS' GROUP LIFE INSURANCE)				IMPORTANT- This form is for use by ACTIVE DUTY and RESERVE MEMBERS. Please read instructions on reverse before completing this form. NOTE: No insurance may be granted unless a completed application form has been received. (38 C.F.R. 9.8)			
PART I - TO BE COMPLETED BY MEMBER							
1. AMOUNT OF SGLI NOW IN FORCE		2. AMOUNT OF INCREASE DESIRED		3. TOTAL (BLOCK 1 +BLOCK 2)			
4. FIRST NAME - MIDDLE NAME - LAST NAME				5. SOCIAL SECURITY NUMBER			
6. BRANCH OF SERVICE (Do not abbreviate) Air Force		7. DATE OF BIRTH (Mo.day.yr) [] [] [] [] [] []		8.WEIGHT	9.HEIGHT	10.SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
11. HAVE YOU EVER BEEN DIAGNOSED AS HAVING A DISEASE OR DISORDER OF THE IMMUNE SYSTEM? <input type="checkbox"/> YES <input type="checkbox"/> NO							
12. HAVE YOU HAD OR BEEN TREATED FOR OR HAD KNOWN INDICATIONS OF:		YES	NO	C. NERVOUS DISORDER?		YES	NO
A. HEART CONDITION?		[]	[]	D. DIABETES?		[]	[]
B. HIGH BLOOD PRESSURE?		[]	[]	E. CANCER OR TUMORS?		[]	[]
13. DO YOU HAVE ANY KNOWN PHYSICAL OR MENTAL IMPAIRMENTS, DEFORMITIES, OR ILL HEALTH NOT COVERED ABOVE? <input type="checkbox"/> YES <input type="checkbox"/> NO							
14. IF YOUR ANSWER TO ANY PART OF ITEMS 11 THROUGH 13 IS "YES", REFER TO ITEM NUMBER AND GIVE DATES, DURATION AND OTHER DETAILS (If more space is needed, attach a separate sheet)							



Question #6

TSgt Rob Ruffy wants to decrease his SGLI coverage from \$250,000 to \$150,000.

Other than completing the forms what must the SGLI counselor do?



Answer

- ✈ The SGLI counselor must brief the member of the requirements to reinstate full coverage
- ✈ **Briefing:** If you decline (or reduce) coverage before you're able to reinstate (or increase) your SGLI, you'll be **asked a series of health questions** (e.g., immune system, heart condition, blood pressure, cancer, etc.). If you indicate **any physical or mental health concern or problem**, then prior to reinstating or increasing your SGLI coverage the **Office of Servicemembers' Group Life Insurance must review** your case and decide whether to approve your request. Premium deductions will not be made until the decision is received from the OSGLI. You will be advised of the acceptance or rejection of the application by the OSGLI



Question #7

True or False

In some cases, the named beneficiary can be changed by other documents such as a divorce decree or will



Answer

- ✈️ Answer: False
- ✈️ A beneficiary cannot be changed by, and is not affected by, any other documents such as a divorce decree or will
- ✈️ A named beneficiary will not be changed automatically by any event occurring after the form is completed (e.g. marriage, divorce, etc.).



SGLI Forms

- ✈ Initial coverage, designate or update beneficiary(s)
 - Complete SGLV 8286
- ✈ If a member wants to reinstate SGLI or increase coverage then ...
 - Complete SGLV 8285, Request for Insurance
 - Certified by unit CC
 - Approved by OSGLI
 - Complete SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate
 - Used to designate/update beneficiary(s)

Family SGLI



FSGLI

- ✈ FSGLI was implemented on 1 Nov 01
- ✈ Coverage: \$100,000 for spouse (civilian or military)
- ✈ FSGLI was implemented automatically, unless the member came to the MPF to decline coverage or elect a lower coverage



Spousal Monthly Premium

Current Rates Took Effect 1 Jul 03

Amount of Insurance	Age of Spouse						
	Under 35	35-39	40-44	45-49	50-54	55-59	60 & Over
\$100,000	\$6.00	\$7.50	\$10.00	\$19.00	\$28.00	\$42.00	\$54.00
\$90,000	\$5.40	\$6.75	\$9.00	\$17.10	\$25.20	\$37.80	\$48.60
\$80,000	\$4.80	\$6.00	\$8.00	\$15.20	\$22.40	\$33.60	\$43.20
\$70,000	\$4.20	\$5.25	\$7.00	\$13.30	\$19.60	\$29.40	\$37.80
\$60,000	\$3.60	\$4.50	\$6.00	\$11.40	\$16.80	\$25.20	\$32.40
\$50,000	\$3.00	\$3.75	\$5.00	\$9.50	\$14.00	\$21.00	\$27.00
\$40,000	\$2.40	\$3.00	\$4.00	\$7.60	\$11.20	\$16.80	\$21.60
\$30,000	\$1.80	\$2.25	\$3.00	\$5.70	\$8.40	\$12.60	\$16.20
\$20,000	\$1.20	\$1.50	\$2.00	\$3.80	\$5.60	\$8.40	\$10.80
\$10,000	\$0.60	\$0.75	\$1.00	\$1.90	\$2.80	\$4.20	\$5.40



Question #8

True or False

SSgt Bobby Barnes elects SGLI coverage for \$50,000. He is also eligible for \$100,000 FSGLI coverage.



Answer

- ✈ Answer: False
- ✈ Spousal coverage cannot exceed the servicemember's level of SGLI coverage. In this example, SSgt Barnes would only be able to obtain \$50,000 in FSGLI coverage



Question #9

True or False

SSgt Sue Blue may decline SGLI coverage while maintaining Family SGLI coverage



Answer

- ✈ Answer: False
- ✈ A servicemember who declines SGLI coverage is not eligible for Family SGLI to include spouse and dependent child coverage
- ✈ Special Note: If a servicemember stops SGLI coverage, then he or she must also complete SGLV 8286A to stop payment of family spousal premiums



Question #10

True or False

Only military members with FSGLI coverage maintain coverage for their children (\$10,000 each)



Answer

- ✈ Answer: False
- ✈ As long as the military member has SGLI coverage then his or her children are covered for \$10,000 each. The military member doesn't have to have FSGLI in effect



FSGLI Forms

- ✈ Initial coverage, designate or update beneficiary(s)
 - Complete SGLV 8286
- ✈ If a member wants to reinstate FSGLI or increase coverage then ...
 - Complete SGLV 8285A, Request for Family Coverage for Spouse
 - Certified by unit CC and approved by OSGLI
 - Complete SGLV 8286A, Family Coverage Election
 - Spouse information and amount of coverage



Resources

✈ SGLI forms

- <http://www.insurance.va.gov/forms/forms.htm>

✈ SGLI Home Page

- <http://www.insurance.va.gov/SgliSite/default.htm>
- VA handbook, forms, FAQs and more

✈ Toll-free telephone: 1-800-419-1473

Backup Slides



SGLI Premium Rates

Premiums Prior to 1 Jul 03

Coverage Amt	Mthly Premium
10,000	\$0.80
20,000	\$1.60
30,000	\$2.40
40,000	\$3.20
50,000	\$4.00
60,000	\$4.80
70,000	\$5.60
80,000	\$6.40
90,000	\$7.20
100,000	\$8.00
110,000	\$8.80
120,000	\$9.60
130,000	\$10.40

Coverage Amt	Mthly Premium
140,000	\$11.20
150,000	\$12.00
160,000	\$12.80
170,000	\$13.60
180,000	\$14.40
190,000	\$15.20
200,000	\$16.00
210,000	\$16.80
220,000	\$17.60
230,000	\$18.40
240,000	\$19.20
250,000	\$20.00



System Problems

- ✈ For some, FSGLI premiums continue to be deducted from their pay after they cancelled or reduced their coverage
- ✈ DFAS is working to resolve this problem, but a projected correction date is still being determined
- ✈ DFAS has advised they will continue to track the pay changes and work those that can be fixed manually
- ✈ Advise affected members that this problem will in no way affect their intended coverage and those who declined or reduced coverage will receive a retroactive refund of any premiums. We will advise you of any updates to the process or system